

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

AMERICAN INTERNATIONAL
GROUP, INC., *et al.*,

Plaintiffs,

v.

ACE INA HOLDINGS, INC., *et al.*,

Defendants.

LIBERTY MUTUAL INSURANCE
COMPANY, *et al.*,

Counter-Claimants,

v.

AMERICAN INTERNATIONAL
GROUP, INC., *et al.*,

Counter-Defendants.

SAFECO INSURANCE COMPANY OF
AMERICA and OHIO CASUALTY
INSURANCE COMPANY, individually, and on
behalf of a class consisting of members of the
National Workers Compensation Reinsurance
Pool,

Plaintiff,

v.

AMERICAN INTERNATIONAL GROUP, INC.,
et al.,

Defendants.

Case No. 07 CV 2898

Judge Robert W. Gettleman

Magistrate Judge Sidney I. Schenkier

✓ Case No. 09 CV 2026

Judge Robert W. Gettleman

Magistrate Judge Sidney I. Schenkier

**AGREED SUPPLEMENTAL SCHEDULING ORDER ON STATISTICAL SAMPLING
OF AIG'S POLICY AND UNDERWRITING FILES**

The Court enters the following Scheduling Order, supplementing its June 25, 2010 order, to govern further proceedings in the above-captioned cases with respect to statistical sampling of policy and underwriting files to be produced by AIG:

1. In accordance with Court's 6/25/10 Order, the parties met with Dr. Kadane on July 1, 2010 to discuss the extent to which files used in the sampling process may be assembled and produced by AIG prior to the Court's adoption of a sampling methodology. Those discussions are ongoing, but the parties hope to report back shortly on this topic.

2. As soon as practicable after providing the parties and the Court with his approved sampling methodology for AIG's Divisions 50, 51 and 55, Dr. Kadane shall randomly select the files to be sampled using consecutively numbered lists of contracts/accounts compiled by the Class Plaintiffs and Liberty from the data files for those divisions produced by AIG. The Class Plaintiffs and Liberty shall provide the list to Dr. Kadane and AIG simultaneously, and AIG shall have an opportunity to inspect it.

3. As soon as practicable but, in no event later than fourteen (14) days after Dr. Kadane makes his selections, AIG shall begin a rolling production of the selected files from Divisions 50, 51 and 55.

4. AIG's production of selected files for AIG Divisions 50, 51 and 55 shall be completed within sixty (60) days of the date Dr. Kadane makes his selections.

5. By July 16, 2010, the Class Plaintiffs and Liberty Parties shall submit a proposed pilot sample methodology for AIG Divisions other than 50, 51 and 55 ("Other Divisions").

6. By July 23, 2010, AIG shall submit any comments to the Class Plaintiffs' and Liberty Parties' Other Divisions' Pilot Sample.

7. By July 30, 2010 (or as soon thereafter as Dr. Kadane deems feasible and appropriate in light of his dialogue with the parties) Dr. Kadane will review the proposed Other Divisions' Pilot Sample methodology, pose any clarifying questions if needed and suggest any modifications he believes are necessary to approve the methodology.

8. As soon as practicable after the Class Plaintiffs' and Liberty's Other Divisions' Pilot Sample methodology is approved, Dr. Kadane shall randomly select the files to be included in the Other Divisions' Pilot Sample using consecutively numbered lists of contracts/accounts compiled by the Class Plaintiffs and Liberty from the data files for those divisions produced by AIG. The Class Plaintiffs and Liberty shall provide the list to Dr. Kadane and AIG simultaneously, and AIG shall have an opportunity to inspect it.

9. As soon as practicable but, in no event later than fourteen (14) days after Dr. Kadane makes his selections for the Other Divisions' Pilot Sample, AIG shall begin a rolling production of the selected files from the Other Divisions, with such production to be completed no later than 30 days after Dr. Kadane makes the selections.

10. By September 10, 2010, the Class Plaintiffs and Liberty shall present their conclusions regarding the Other Divisions' Pilot Sample to AIG and Dr. Kadane.

11. By September 17, 2010, AIG shall serve a written response to the Class Plaintiffs' and Liberty's conclusions regarding the Other Divisions' Pilot Sample.

12. By September 21, 2010, the Liberty Parties ("Liberty") and Class Plaintiffs shall submit a proposed statistical sampling methodology to guide the production of files from AIG's Other Divisions.

13. By October 1, 2010, AIG shall provide the other parties and Dr. Kadane with AIG's objections and/or suggestions for modifications to the proposed methodology for sampling AIG's Other Divisions.

14. By October 11, 2010 (or as soon thereafter as Dr. Kadane deems feasible and appropriate in light of his dialogue with the parties), Dr. Kadane will review the proposed sampling methodology, pose clarifying questions if needed, and suggest any modifications he believes are necessary to approve the Class Plaintiffs' and Liberty's sampling methodology of AIG's Other Divisions.

15. As soon as practicable after the Class Plaintiffs' and Liberty's sampling methodology for AIG's Other Divisions is approved, Dr. Kadane shall randomly select the files to be included in the statistical sample using consecutively numbered lists of contracts/accounts compiled by the Class Plaintiffs and Liberty from the data files for those divisions produced by AIG. The Class Plaintiffs and Liberty shall provide the list to Dr. Kadane and AIG simultaneously, and AIG shall have an opportunity to inspect it.

16. As soon as practicable but, in no event later than fourteen (14) days after Dr. Kadane makes his selections, AIG shall begin a rolling production of the selected files from AIG's Other Divisions.

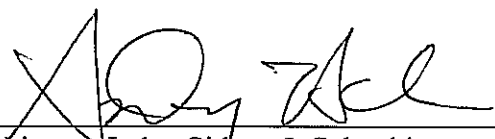
17. The production of the selected files for the Other Divisions shall be completed within sixty (60) days of the date Dr. Kadane makes his selections.

18. As provided in the Court's Order of June 25, 2010, at the next scheduled status conference after August 5, 2010, the Court will discuss with the parties an appropriate procedure for addressing any objections and entering an order adopting a sampling methodology. The deadline of March 15, 2011 for completion of all fact discovery remains in effect. The Court

shall be given regular monthly updates on the status of the approval by Dr. Kadane of sampling methodologies, the timeliness of the production of policy and underwriting files by the party whose files are being sampled, and any other issues on which the Court can assist the parties in order to expedite the completion of sampling and related discovery before the March 15, 2011 cut-off.

SO ORDERED:

Date: 07-02-10


Magistrate Judge Sidney I. Schenkier
United States District Court
Northern District of Illinois

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